

**CITY OF ST. LOUIS COMMUNITY DEVELOPMENT ADMINISTRATION
SUMMER 2016 NOFA PERIOD**

QUESTIONS & ANSWERS (Q&A)

Received between 05/02/2016 and 06/10/2016

What is the LRA? What does this acronym mean?

The Land Reutilization Authority (LRA) is a pseudo-public entity of the City of St. Louis that maintains, markets, and sells City-owned property and performs land assemblage for future development. LRA receives title to all tax-delinquent properties not sold at Sheriff's sale. It also receives title to properties through donation. Additional information is accessible online: <https://www.stlouis-mo.gov/government/departments/sldc/boards/Land-Reutilization-Authority.cfm>

What is a Community Housing Development Organization (CHDO)?

A CHDO is a private nonprofit organization that meets certain legal and organizational characteristics as described in the HOME regulations at 24 CFR Part 92.2. One of the purposes of such organizations must be to provide decent housing that is affordable to low-income and moderate-income persons. A CHDO may participate in residential development efforts either as owner, sponsor, or developer.

Are CHDO checklist and application materials available online?

Yes, CHDO checklist and application materials can be accessed online: <https://www.stlouis-mo.gov/government/departments/community-development/residential-development/documents/CHDO-Certification-and-Checklist.cfm>

How do I apply to be a CHDO and who do I contact?

Interested organizations with any questions should contact CDA Residential Development Asset Manager at (314) 657-3700.

What is a Community Based Development Organization (CBDO)?

In order to qualify as a CBDO, an organization must meet the characteristic defined in 24 CFR Part 570.204. The primary purpose of such organizations must be the improvement of the physical, social, economic environment of its service area by addressing one or more critical problems in the area, with particular attention to the needs of low-income and moderate-income persons. In some cases, CHDOs certified under the HOME Program may also qualify as CBDOs. It is important to remember that new construction assisted with CDBG must have a CBDO participant, so it will be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts.

Are CBDO checklist and application materials available online?

Yes, CBDO checklist and application materials can be accessed online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/documents/cbdo-application.cfm>

How do I apply to be a CBDO and who do I contact?

Interested organizations should contact CDA Monitoring Section at (314) 657-3700.

How long does CBDO or CHDO certification take?

Assuming that all of the required CBDO or CHDO checklist items – such as board composition and evidence of applicable by-laws or resolutions – are in place, the CDA certification review and approval can be completed within a day or two.

Which is required for new-construction efforts – CBDO or CHDO?

It is important to remember that new construction assisted with CDBG must have a CBDO participant, so it will be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts. Additionally, CDBG-assisted new construction efforts that do not include affordability must satisfy some other HUD National Objective. In such cases, elimination of slums or blight on an Area Basis (elimination of determinable signs of slums or blight within a strictly defined area) would be appropriate. A blighting study on an Area Basis (not a Spot Basis) will be required.

Do CBDOs and/or CHDOs need a housing development component identified in their mission statements?

A CHDO must have among its purposes the provision of decent housing that is affordable to low- and moderate-income people. This must be evidenced by a statement included in the organization's charter, by-laws, articles of incorporation, or resolutions. A CBDO must have stated in either its articles of incorporation or its most current bylaws statements that the entity is organized to engage in community development activities and that the organization's primary purpose is the improvement of the physical environment of its geographic area of service, with particular attention to the needs of persons of low- and moderate-income. Additionally, the bylaws should reference the geographic area requested to be served (up to three City neighborhoods). Relevant community development activities may include addressing affordable housing needs.

Can a CBDOs and/or CHDOs create a limited liability corporation to conduct a housing development on its own?

HUD regulations allow for CHDOs to conduct efforts as either Owner, Developer, or Sponsor. A CHDO acting as Owner holds legal title to or has a long-term (99-year minimum) leasehold interest in the property. The CHDO may be an owner with one or more individuals, corporations, partnerships, or other legal entities. The 2013 HOME Final Rule clarifies that a CHDO may act as Owner of a rental project if it has the capacity to own and manage rental housing but not the capacity to develop a rental project. A CHDO acting as Sponsor develops a property that it solely

or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time. A CHDO acting as Developer either owns and develops the property or is under a contractual obligation with the owner to obtain financing and develop the property. HUD regulations require CBDOs to actively participate in eligible development efforts. However, CDA staff must defer to applicant's legal team for recommendations on organizational structure of specific development efforts.

Is non-permanent housing eligible to apply for assistance?

Eligible housing includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, housing for students, or dormitories (including farmworker dormitories). These types of residences constitute facilities or provide short-term or transitory housing and not some form of permanent housing.

How should an applicant indicate on the application whether CDBG, HOME, or NSP funds are being requested?

It is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, applicants still must specify the targeted AMI households in their applications. It will also be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts. Only one application per proposed development is necessary regardless of funding source.

What is the email address where questions should be sent?

In an effort to provide fair and impartial service, CDA Housing Analysts will not be available to field general inquiries or to offer specific direction during the NOFA period. All questions must be submitted to CDAnofa@stlouis-mo.gov as directed in the NOFA. All questions received and their answers will be published on CDA's NOFA webpage:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/NOFA.cfm>

How does CDA promote sustainable housing developments?

Energy Star certification is required for all CDA-assisted developments funded with CDBG, HOME and/or NSP funds. The ratings criteria includes a scoring section for those applications that pursue additional sustainable housing certifications. Those proposals that do so will rank higher than competing proposals that do not, thus increasing their chances of selected for a funding reservation amount.

What does the phrase “E & A” mean?

All City contracts must first be approved by the City of St. Louis Board of Estimate & Apportionment. This board consists of the Mayor, the President of the Board of Aldermen, and the Comptroller. This board meets once per month and is commonly referred to as “E&A.”

Is it necessary to complete the Rental Conversion Projection tab of the For-Sale Application if applying for CDBG assistance?

It is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, in order for a for-sale application to be considered complete, the Rental Conversion Projection tab must be provided. And the analysis worksheet must demonstrate that the development effort would be sustainable in the event of conversion to rental.

Even if a sale is anticipated or a pre-sale contract has been obtained, must an applicant still complete the Rental Analysis of the For-Sale application?

Yes, because HUD requires that CDA demonstrate that the proper underwriting evaluation is performed in the event that the project converts to rental 9 months after completion.

Does CDA provide residential development assistance as a grant or as a loan? If a loan, what is the interest rate that would be charged?

All forms of CDA assistance for residential development projects are loans. These loans may be low-interest, no-interest, or even forgivable. All loans will be secured by a lien on the property. The terms of the type(s) of loan(s) desired by an applicant must be identified in the application. Public funds should be adequately leveraged with private financing or developer equity. Applications that are judged to not sufficiently or appropriately leverage CDA funds will rate low in the Applicant Financial Qualifications section of the Proposal Rating Sheet.

Is there a limit to the amount of funding that one application can request?

CDA Underwriting Standards establish a limit to CDA-funded development requests, not intended to exceed 50% of the project Total Development Cost (TDC). Additionally, HOME regulations prohibit subsidies that exceed the per unit maximums set forth by Section 221(d)(3) of the National Housing Act.

Will an application be considered if the request for total CDA funding exceeds 50% of the total development costs?

Applicants are encouraged to submit competitive proposals that also demonstrate sufficient financial capacity to successfully complete. Public funds should be adequately leveraged with private financing or developer equity. Requests for CDA gap financing should also be supplemented with other available types of construction period assistance, such as tax credits for example. Applications that are judged to not sufficiently or appropriately leverage CDA funds will rate low in the Applicant Financial Qualifications section of the Proposal Rating Sheet. However,

such a condition alone will not be cause for a proposal to be considered ineligible for CDA assistance.

If an applicant did not pursue historic tax credits, would the proposal be considered inadequately leveraged?

If a proposal is eligible to receive tax credits (for example, the rehabilitation effort of a contributing building to a historic district by a for-profit entity), then CDA will require the applicant to pursue the available tax credit award. Otherwise, the application would not be considered adequately leveraged.

How are fair and reasonable construction costs determined?

CDA understands that all redevelopment projects are unique and that all buildings and sites offer their own attractions and challenges. There is no all-encompassing equation for measuring different development proposals equally. Applicants are encouraged to submit competitive proposals with particular attention to the developer profit and contractor profit maximums allowed by CDA. If concerned that costs may be considered excessive by CDA's selection committee, an applicant is encouraged to include additional information and detail, including copies of multiple and competitive bids for work, to demonstrate that the estimates provided are both reasonable and necessary for the successful completion of a quality project.

What happens if a for-sale project converts to a rental?

CDA allows for any for-sale project that remains unsold for a period of time to be converted to rental. Note that HOME for-sale projects will be required to convert to rental if unsold 9 months after completion. Conversion will require modifications to all for-sale legal documents. Forgiveness of the CDA project subsidy will not be considered, and CDA will begin monitoring and regularly inspecting the project to ensure that the unit(s) are maintained to appropriate living standards. As a result, all for-sale applications must include a completed Rental Analysis assessment provided in the Excel spreadsheet of the application.

If a HOME for-sale project is converted to rental, how long must it remain a rental project?

Conversion will require modifications to all for-sale legal documents. Forgiveness of the CDA project subsidy will not be considered, and CDA will begin monitoring and regularly inspecting the project to ensure that the unit(s) are maintained to appropriate living standards. As a result, all for-sale applications must include a completed Rental Analysis assessment provided in the Excel spreadsheet of the application because HUD requires that we demonstrate that the proper underwriting evaluation is performed in the event that the project does convert to rental. As a rental, all projects are subject to a HOME Affordability Period (5-20 years, depending upon the per unit subsidy amount) and subject to income and rent restrictions, physical inspections and other annual compliance monitoring. Rental properties are expected to make payments annually from cash flow for any gap loans. HOME regulations do allow for rental units to be converted to for sale units at any point during the affordability period.

Should applicants apply for more than one house on a for-sale application to improve chances of selection?

The ratings criteria includes a scoring section that scales increasing points for applications proposing to develop multiple parcels of City-owned property. This section only applies to applications for the redevelopment of LRA-owned and to CDA's Request for Proposals (RFP) property lists.

Can proposals to develop more than one property, such as scattered sites, and be submitted on one application?

Yes, but one cannot submit an application for both a for-sale and rental on the same proposal. The development budgets and construction budgets should be separated by address on the application spreadsheets as directed.

If a proposal involves the redevelopment of multiple parcels, how many of those parcels need evidence of site control?

An applicant must be able to demonstrate site control for all parcels where the development of residential housing is planned. It is not necessary to demonstrate site control for planned amenities, such as a community center or off-site parking areas. For those projects where site control cannot be evidenced, phased development should be considered.

How will CDA treat competing proposals for the same address?

It is possible for CDA to receive multiple development proposals for the same address. In such an event, CDA will evaluate each application for completeness and rate each proposal on its own merits. Then CDA will rank the proposals against all other applications received during the open NOFA period. While it will not be possible for competing proposals to receive funding for the same address, it may be possible for none of the proposals to rank high enough to be awarded assistance.

What would happen if more than one applicant applies for the same address, but one of the proposals includes other addresses? Would CDA consider an award for the other addresses in that application?

While it will not be possible for competing proposals to receive funding for the same address, it may be possible for none of the proposals to rank high enough to be awarded assistance. Should an application rank high enough for funding consideration during a NOFA round but one of the properties is no longer available, CDA would then consider a partial award for one or more of the remaining addresses in the application. Therefore, it is imperative that the Development Budget tab of a for-sale application be completed so as to represent the individual gap estimates for each individual property address within the development.

Can a proposal have more than one household-income targets within one application?

Both the for-sale and rental applications require that the total number of proposed housing units be identified. This unit total results from the number of units proposed for each target category:

market-rate, middle-income, moderate-income, low-income, and very-low income housing. It is possible to target more than one category within a proposal. Mixed-income developments are preferred.

May an applicant self-finance a development effort, or must one use bank funds?

If an applicant intends to self-finance or utilize developer equity in some way to finance all or a portion of a proposed development's projected costs, then the application's summary sources & uses must reflect that strategy. The Sources & Uses tabs for both the for-sale and rental application spreadsheets allow for projected Developer Equity investments for the self-financing of acquisition, predevelopment, and construction costs. This field is the appropriate place to indicate the amount of funds used to self-finance a development effort. Applicants still must demonstrate the financial capacity to conduct a project as proposed, and proof of funds should be included as part of the Summary of Proposed Residential Development Project section of the NOFA Checklist of Required Items.

If a redevelopment project is already underway, can one still apply to CDA assistance for that effort?

The federal funding programs of CDBG, HOME, and NSP administered by CDA for the City of St. Louis trigger a number of regulations that must be followed on all redevelopment efforts receiving assistance. It is advisable that, if interested in participating in one or more of these programs, applicable requirements (such as design elements appropriate for Section 106, federal lead-safe housing rules, Energy Star standards, etc.) be incorporated into development plans early in the process to ensure compliance. If a project does not comply with any federal regulations, then the development team must remedy the issue(s) at their own expense. Federal funding may not be used towards these costs. However, a project already underway will not be in itself cause for a proposal to be considered ineligible for CDA assistance.

Is there a list of City-preferred REALTORS®?

All CDA-assisted for-sale projects are encouraged to work with licensed real estate professionals to help price homes appropriately and market them effectively to qualified buyers. The City of St. Louis does not maintain a preferred list. Any individual licensed by the Missouri Real Estate Commission (MREC) would be appropriate. It is also important to note that, while recommended, having such a person on the development team is not a CDA requirement.

How does CDA certify a homebuyer or tenant's household income-eligibility?

For the purpose of determining eligibility, CDA must project a household's income in the future. To do so, a review of the household's current circumstances is used to project its future income. In general, it is assumed that existing income levels will continue, unless there is verifiable evidence to the contrary. CDA staff can provide a homebuyer/tenant certification checklists and applicable documentation necessary to determine household eligibility.

Will owner-occupied applications be considered?

CDA housing production programs are not intended to provide gap assistance for owner-occupant rehabilitation or new construction projects. However, such proposals will not be considered ineligible and will not be excluded from consideration. Such applicants still must demonstrate the feasibility of their proposals, including the experience and capacity of all members of the development team.

If I am proposing the rehabilitation of a single-family home for my own, owner-occupant use (meaning that I will not sell when completed but live in myself), which spreadsheet should I use? For Sale or Rental version?

CDA housing production programs are not intended to provide gap assistance for owner-occupant rehabilitation or new construction projects. However, such proposals will not be considered ineligible and will not be excluded from consideration. Such applicants still must demonstrate the feasibility of their proposals, including the experience and capacity of all members of the development team. Developments of one-to-four-family residences, condominium units, cooperative units, combinations of manufactured housing and lots, or manufactured housing lots are considered by federal regulation to be “single-family housing” proposals. Applicants whose proposals fall into these categories should use the For Sale CDA application. All other proposals should use the Rental CDA application.

Does an owner-occupant homeowner of a CDA-assisted development effort have the ability to become a rental property at some point in the future?

If they received CDA affordability assistance either towards the purchase of their home or towards the development of their home, owner-occupants are required to remain as their primary residence for the duration of their applicable affordability period. The period of time depends upon the amount of CDA assistance provided. The table below details these requirements:

Rehabilitation or Acquisition of Existing Housing (in \$ amount of HOME funds invested per unit)	Minimum Affordability Period (in years)
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/income-limit.cfm>

After expiration of the affordability period, CDA no longer monitors residency, and the owner-occupant is then released from remaining obligations and covenants.

Will applications be considered for owner-occupied multifamily housing developments?

Developments of one-to-four-family residences, condominium units, cooperative units, combinations of manufactured housing and lots, or manufactured housing lots are considered by federal regulation to be “single-family housing” proposals. As such, CDA will consider applications for owner-occupied multifamily housing developments as eligible to receive assistance through this

NOFA round. However, if the project receives assistance from a program specifically designated for the creation of affordable housing and is limited to income-eligible households, then income certifications will be required of all occupants, including the owner-occupant, for the duration of the applicable affordability period.

What items must be included in an application for supplemental financing regarding a project that was previously awarded CDA funding?

All applicants wishing to request additional financing for a project that has already received a maximum funding reservation from CDA must provide suitable justification for the new request. *All* items reflecting *any* changed conditions from one application version to another must be provided to CDA for review prior to the NOFA application deadline.

In an effort to reduce paper waste, CDA will accept references to “see previous NOFA application, dated...and submitted to CDA on...” for the following application items *only* and *only if no change*:

- Description of Development Team Experience
- Organizational Chart
- City of St. Louis Business License
- Articles of Incorporation
- Proof of Nonprofit Status
- Nonprofit By-Laws
- Roster of Board Members
- CHDO Certification Letter
- Development Partnership Agreement
- Preliminary Schematic Plans
- Market Analysis or Independent Appraisal
- Letter of Interest from Construction Lender (if applicable)
- Evidence of Site Control

The following items (current and up-to-date) must be included in a NOFA application for supplemental CDA financing to a previous CDA award:

- Signed Certification Form (Part X of CDA Application & Proforma Worksheet)
- State of Missouri Certificate of Corporate Good Standing
- CDA Conflict of Interest Statement
- Proof of Funds (if applicable)
- Complete CDA Application & ProForma Spreadsheet
(for-sale or rental, as applicable)
 - 1 hard copy, with original signatures
 - 3 duplicate copies, provided in individual three-ring binders or separated by binder clip

Please note that CDA will only consider approving such requests on an extremely limited basis. Dissatisfaction with the amount of a previous funding reservation is not considered sufficient reason for CDA to increase the amount of a previous award.

Is it necessary to complete the Capital Needs Assessment tab of the Rental Application if applying for CDBG assistance?

It is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, in order for a rental application to be considered complete, the Capital Needs Assessment tab must be provided. And the analysis worksheet must demonstrate that the development has budgeted for the scheduled replacement of pertinent items throughout operation during a possible period of affordability.

Does the MBE/WBE construction monitoring process require certified payroll reporting even if the project is not subject to Davis-Bacon and Prevailing Wage Standards?

Per the Mayor's Executive Order #28 and as amended by #51, the City of St. Louis requires maximum utilization of minority- and women-owned businesses in all CDA-assisted housing projects with a goal of at least 25% City of St. Louis certified minority business enterprise (MBE) participation and 5% City of St. Louis certified women's business enterprise (WBE) participation. This is taken as a percentage of the project's total development cost, excluding acquisition. All recipients of CDA funds will be required to keep records of participation by certified MBEs and WBEs. However, CDA staff does not directly monitor construction period reporting for either. Please contact the MBE/WBE Office of Contract Compliance directly at (314) 657-3700 with any questions or for additional guidance.

The workshop handout includes a list of addresses. Is this a list of all City-owned properties acquired with CDA funding or is this a list of LRA-owned properties?

CDA held a general information workshop for the Summer 2016 NOFA on Friday, May 13, 2016. The presentation slides are available online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/upload/NOFA-Workshop-2016May13.pdf>

A handout was also available to those in attendance. This material is also available online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/upload/NOFA-Overview-Summer-2016.pdf>

The handout included a list of addresses that are special and specific funding priorities for CDA this NOFA round. This is the same list referenced in Section 5 "Priority List of CDA-Assisted Properties" of the NOFA. It is not the same as the comprehensive list of all CDA-Assisted, LRA-Owned properties identified in Section 4 "Request for Proposals" of the NOFA. Nor is it the same as the comprehensive list of all LRA-owned properties available. Such a list can be accessed online:

<https://www.stlouis-mo.gov/government/departments/sldc/real-estate/lra-owned-property-search.cfm>

The NOFA prioritizes investment in specific Census 2010 Block Group IDs with additional bonus points awarded. Where can one find a property's Census 2010 Block Group ID?

The Census 2010 Block Group ID was a database assignment to City of St. Louis census tracts for the statistical Market Value Analysis (MVA) detailing the housing market characteristics for each.

The Census 2010 Block Group ID is provided for each City-owned property acquired with CDA funding that is listed in Section 4 "Request for Proposals" of the NOFA as part of Exhibit B:

Detailed Site Information:

https://www.stlouis-mo.gov/government/departments/community-development/residential-development/documents/upload/NOFA_Summer_4-25-16_Summary.pdf

The Census 2010 Block Group ID can also be found for any City address by using the online interactive MVA map and database:

<http://dynamic.stlouis-mo.gov/mva>

Is information available for Fall 2015 NOFA Awards?

The CDA funding reservation awards for applications received during the Fall 2015 NOFA round are published and available online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/nofa-awards.cfm>

This page will be replaced on July 22, 2016, with the Summer 2016 NOFA awards.

If not awarded funds during this NOFA round, how can applicants improve their proposal(s) for future NOFA rounds?

For projects that are not awarded funding, CDA will offer applicants an opportunity for a debriefing session to discuss the specifics of the rating for their specific proposal(s).

If interested in developing a CDA-assisted property identified in the RFP section of the NOFA without requesting additional CDA assistance, does one still need to submit a proposal through this NOFA process?

Yes. Because CDA-funding assisted the acquisition and holding costs, there remains a CDA subsidy in the project. And the project still must comply with the applicable federal regulations governing that funding source.

If you are awarded one of the CDA-assisted properties identified in the RFP section of the NOFA, is there a time limit for project completion?

If selected to be the developer for one of the CDA-assisted properties identified Section 4 "Request for Proposals" of the NOFA, then LRA will enter into an option agreement with you in order to sell the property to you/your development entity. This agreement must include the purchase price to be paid to LRA at closing. Once you have executed the LRA Option Assignment Agreement, you will be expected to complete all your pre-development work and finalize your construction financing. A closing will not occur until plans and budget are approved and financing commitments

and approvals are obtained. The legal documents that will be signed at closing will define the terms of project financing. These can be negotiated as needed, but typically CDA legal documents reflect a 12-month term.

Note that HOME for-sale projects will be required to convert to rental if unsold 9 months after completion, or issuance of occupancy permit. Conversion will require modifications to all for-sale legal documents. Forgiveness of the CDA project subsidy will not be considered, and CDA will begin monitoring and regularly inspecting the project to ensure that the unit(s) are maintained to appropriate living standards.

CDA will host an additional workshop for recipients of NOFA awards to explain the various steps required from predevelopment through construction to project completion and close-out.

Are individual Renovate, Repair, and Painting (RRP) certifications required for all subcontractors or just those conducting demolition work?

The U.S. Environmental Protection Agency (EPA) offers guidance regarding RRP certifications. The following firms must be certified:

- Any firm that is paid to perform work that disturbs lead paint or conducts lead dust sampling in housing or child-occupied facilities built before 1978 must be certified.
- This may include residential rental property owners/managers, maintenance staff, general contractors, renovators and remodelers, and special trade contractors including painters, plumbers, carpenters, electricians, and kitchen and bath specialists.
- EPA has defined the term "firm" to mean a company, partnership, corporation, sole proprietorship or individual doing business, association, or other business entity; a Federal, State, Tribal, or local government agency; or a nonprofit organization.

<http://www2.epa.gov/lead/details-certification-requirements-firms>

EPA requires that employees must be trained. Employees must be trained in and use Lead-Safe Work Practices. Each firm must have at least one certified renovator. Renovators are certified upon completion of an EPA accredited renovator training course. To remain certified a renovator must complete a refresher training course before their current certification expires. If certification expires, the 8 hour course must be taken again to regain certification.

<http://www2.epa.gov/lead/getcertified>

If we cannot get a copy of each RRP certificate for the individuals conducting the work on-site, CDA will accept instead a copy of the RRP certificate from the foreman of each firm along with an affidavit that includes the following statement:

I, _____, a certified renovator, hereby certify that I was on-site or available by telephone at times that renovations were being conducted in accordance with the requirements specified in the EPA's Lead-Based Paint Renovation, Repair, and Painting Program.

In the instances where a firm's foreman was unavailable, CDA will accept instead an affidavit from the general contractor (or also considered the foreman for all on-site). But CDA will still need a copy of the RRP certificate of the firm's certified renovator as well.

The auto-calculation of tax credits for my application is lower than my actual tax credit award. How do I update the Sources & Uses tab of the CDA application to reflect the project's true tax credit equity?

Include the difference in one of the available "Other" cells...explaining as the shortfall of the auto-calculation. Additional information may be provided in the Developer Notes section.

Is it possible to obtain an open or unprotected copy of the CDA application?

In order to protect the integrity of the application and selection process, it is imperative that all applicants use the same forms. Altered or otherwise modified CDA spreadsheets will cause a proposal to be considered incomplete, and such occurrence will cause failure of NOFA completeness and eligibility review. Also, these spreadsheets have been designed and updated to provide specific guidance for interested parties to help prepare a suitable development plan eligible CDA assistance. Therefore, CDA staff have been directed not to distribute open or unprotected copies of protected CDA materials and other documents.

Please explain the difference between a LRA-Owned and CDA-Assisted MVA Market type as referenced in the "Priorities" section of the NOFA rating sheet.

With support from HUD, the City received from both The Reinvestment Fund and The Cloudburst Group a statistical Market Value Analysis (MVA) for residential properties that details housing market characteristics for all of its Census block groups. From this data, nine market types have been identified according to clustering similar characteristics designed to clarify the boundaries of areas and to identify potential strategies for each. The MVA is a tool to help City agencies such as CDA identify potential strategies and direct the investment of public funds so that investment may be strategically leveraged for the benefit of its citizens. Additional information regarding the MVA methodology and a link to an interactive MVA map and database is available online:

www.stlouis-mo.gov/mva

The "Priorities" section of the NOFA rating sheet outlines the goals to prioritize development of City-owned properties previously acquired with CDA assistance as identified in Section 4 "Request for Proposals" of the NOFA as primary priorities and the redevelopment of other City-owned properties as secondary priorities. Applications that include addresses identified in Section 4 "Request for Proposals" of the NOFA will rate higher than those applications that do not. Applications that include multiple addresses will score even higher. Applications that involve the redevelopment of City-owned property will rate higher than proposals that involve privately-owned property. Applications that involve the development of multiple City-owned sites will score even higher.

The NOFA prioritizes funding approval in this manner:

- 1) CDA-assisted, LRA-owned residential properties in MVA markets “D,” “E,” “F,” and “G” as specifically identified in this NOFA
 - a. Priority will be given to applications for NSP-assisted properties as specifically identified in this NOFA and other residential development sites with time-sensitive deadlines as identified by HUD
- 2) CDA-assisted, LRA-owned residential properties in MVA markets “A,” “B,” “C,” “H,” and “I” as specifically identified in this NOFA
 - a. Priority will be given to applications for NSP-assisted properties as specifically identified in this NOFA and other residential development sites with time-sensitive deadlines as identified by HUD
 - b. Applications for affordable housing developments in MVA markets “A,” “B,” and “C” will be given priority over market-rate housing applications in MVA markets “A,” “B,” and “C.”
- 3) LRA-owned residential properties in MVA markets “D,” “E,” “F,” and “G” that are not otherwise identified in this NOFA
- 4) LRA-owned residential properties in MVA markets “A,” “B,” “C,” “H,” and “I” that are not otherwise identified in this NOFA
- 5) Privately-acquired residential properties in MVA markets “D,” “E,” “F,” and “G”
- 6) Privately-acquired residential properties in MVA markets “A,” “B,” “C,” “H,” and “I”

What does the LRA inspection deadline mean?

Parties interested in developing LRA-owned property will have an opportunity to inspect throughout the NOFA period. However, for scheduling purposes, a deadline of June 3, 2016, has been established for those needing LRA staff assistance during the Summer 2016 NOFA period. Access can be arranged by contacting LRA at (314) 657-3754. LRA will require a minimum 48-hour advance notice. Anyone planning to enter and conduct a walkthrough on the premises will be required to sign an LRA waiver prior to inspection. In limited cases, a Request to Open Boarded-Up LRA Property may be available.

We are considering a property to be included in our NOFA application that is not available until an upcoming tax sale. Would this proposal be considered, noting the pending site control, or should it be omitted because site control could not be obtained by the NOFA deadline for funding applications?

Such a property should be omitted from a NOFA request for funding. Applicants must include evidence of site control with their applications. The only exceptions are given to proposals for the development of City-owned property (such as LRA-owned, LCRA-owned, for example). Property that is scheduled for tax sale may still be redeemed by the current owner until confirmed by City of St. Louis Circuit Court. For additional guidance, please refer to the Sheriff's Office website:

<https://www.stlouis-mo.gov/government/departments/sheriff/Land-Tax-Sales.cfm>

Will properties included in a NOFA application that are located within the Promise Zone receive more favorable consideration during the application review?

A site's location related to the Promise Zone is not a part of the criteria used to rate proposals during the CDA Summer 2016 NOFA round.

I am not sure what sections of the CDA For-Sale or Rental Application apply to me. Which version applies to me? Can you tell me exactly which cells need to be completed?

Developments of one-to-four-family residences, condominium units, cooperative units, combinations of manufactured housing and lots, or manufactured housing lots are considered by federal regulation to be "single-family housing" proposals. Applicants whose proposals fall into these categories should use the For Sale CDA application. All other proposals should use the Rental CDA application. The status of the occupants who will live in the homes should be considered. If they will be owner-occupants, then the For Sale Application applies. If they will be tenants, then the Rental Application applies.

All pages of the CDA application are required and must be completed in order for your application to be considered complete. To protect the fairness & integrity of the competitive NOFA process, CDA staff cannot assist applicants with the preparation of the application materials. However, even incomplete applications will be rated & scored.

It is important to complete all applicable cells that are highlighted in yellow. It is advisable to provide as much information and detail as possible in Tab 1) "Application." It is acceptable to attach additional pages with hard copies if needed. Additionally, all applicants should be using the most updated versions of the CDA application spreadsheets (dated May 2016) for this NOFA round.

Is there a recommended order for completing the Application & Proforma spreadsheet?

Both the CDA For-Sale Application & Proforma and the CDA Rental Application & Proforma contain a Tab labeled "INSTRUCTIONS" that recommend completing the worksheets in the order corresponding to their numbering. However, note that the totals from Tab 3) "Construction Costs" carry over to Tab 2) "Development Budget." It may be helpful to complete the construction budget first. The spreadsheets are protected, so cells with formulas cannot be overwritten. It is important to complete all applicable cells that are highlighted in yellow. It is advisable to provide as much information and detail as possible in Tab 1) "Application." It is acceptable to attach additional pages with hard copies if needed. Additionally, all applicants should be using the most updated versions of the CDA application spreadsheets (dated May 2016) for this NOFA round.

What items must be included in an application for supplemental financing regarding a project that was previously awarded CDA funding?

All applicants wishing to request additional financing for a project that has already received a maximum funding reservation from CDA must provide suitable justification for the new request. *All* items reflecting *any* changed conditions from one application version to another must be provided to CDA for review prior to the NOFA application deadline.

In an effort to reduce paper waste, CDA will accept references to “see previous NOFA application, dated...and submitted to CDA on...” for the following application items *only and only if no change*:

- Description of Development Team Experience
- Organizational Chart
- City of St. Louis Business License
- Articles of Incorporation
- Proof of Nonprofit Status
- Nonprofit By-Laws
- Roster of Board Members
- CHDO Certification Letter
- Development Partnership Agreement
- Preliminary Schematic Plans
- Market Analysis or Independent Appraisal
- Letter of Interest from Construction Lender (if applicable)
- Evidence of Site Control

The following items (current and up-to-date) must be included in a NOFA application for supplemental CDA financing to a previous CDA award:

- Signed Certification Form (Part X of CDA Application & Proforma Worksheet)
- State of Missouri Certificate of Corporate Good Standing
- CDA Conflict of Interest Statement
- Proof of Funds (if applicable)
- Complete CDA Application & ProForma Spreadsheet (for-sale or rental, as applicable)
 - 1 hard copy, with original signatures
 - 3 duplicate copies, provided in individual three-ring binders or separated by binder clip

Please note that CDA will only consider approving such requests on an extremely limited basis. Dissatisfaction with the amount of a previous funding reservation is not considered sufficient reason for CDA to increase the amount of a previous award.

What does “prepaid acquisition subsidy amount” mean and does an applicant need to complete this section?

As stated in Section 1 “Introduction” of the NOFA, funds awarded under this NOFA may be utilized to assist with development gap subsidy, bridge loan financing, and homebuyer assistance. However, the acquisition costs for LRA-owned properties identified in Section 4 “Request for Proposals” of the NOFA have already been pre-paid with CDA funding prior to the release of this NOFA. Accordingly, the acquisition subsidies for these properties have already been expended. Therefore, an application submitted under this NOFA for a property included Section 4 “Request for Proposals” of the NOFA does not need to factor acquisition cost as part of either the Total Development Cost (TDC) or the CDA subsidy funding request.

Where does one indicate the total gap subsidy amount requested?

The amount of CDA assistance – whether in the form of Bridge Loan, Construction Gap Subsidy, and/or Homebuyer Assistance – is represented in several sections of the CDA Application. Tab 1)

“Application” includes a breakdown of Total CDA Subsidy Request. This summary further distinguishes Short-Term (construction-period) and Permanent Subsidies. Additionally, Tab 4) “Sources & Uses” also includes a breakdown of Total CDA Subsidy Request. This summary also further distinguishes Short-Term (construction-period) and Permanent Subsidies. It is important to note that the section labeled “Total E&A Request” will play the biggest factor when determining the amount (if any) of CDA project funding to award.

When are CDA funds available for disbursement?

Successful applicants will be required to enter into legal agreements (typically including Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement, and Disbursing Agreement) with the City of St. Louis at construction closing which will incorporate all regulatory compliance and specific project information. Funding will be provided only to a third-party disbursing agent and only after CDA inspects and approves the completed work for which payment is requested.

Will CDA consider proposals to develop more than one property, such as scattered sites, and can they be submitted on one proposal?

Yes, but one cannot submit an application for both a for-sale and rental on the same proposal. The development budgets and construction budgets should be separated by address on the application spreadsheets as directed.

Will preference be given to the number of units an application proposes to develop?

Preference will be given to multi-address projects only if they involve either properties identified in Section 4 “Request for Proposals” of the NOFA or other City-owned parcels. Additional consideration will be given to applications that involve multiple properties that are either contiguous or in concentrated areas.

Will CDA consider partial approval of funding for a multi-address proposal?

CDA may consider a partial award for a proposal involving the development of multiple addresses. However, such consideration will be given only on a limited basis and will only be extended to those properties identified in Section 5 “Priority List of CDA-Assisted Properties” of the NOFA when determined reasonable.

If we are interested in conducting multi-address developments, should all properties be included as one application or is it better to submit individual applications for each?

Preference will be given to multi-address projects only if they involve either properties identified in Section 4 “Request for Proposals” or other City-owned parcels. Applicants still must demonstrate the financial capacity to conduct a project as proposed, regardless if either a multi-address application or several individual applications. If a developer is offering applications for projects that cannot be financially supported, then those proposals will be rated lower than other proposals that do demonstrate the capacity to successfully complete. Also, and as stated in Section 11 “Additional Regulations and Guidelines” of the NOFA, CDA reserves the right to limit funding to no more than one CDA-funded development project per applicant.

Is there a preference for how should an applicant present a scattered site proposal?

Applicants are expected to provide an actual, written summary of their proposed residential development projects. Parties should identify the characteristics (such as neighborhood or ward) that the properties of a scattered site proposal share in order to be considered as one proposal. This information should be included in the Summary of Proposed Residential Development Project section of the list of required items.

Is there a limit to the number of applications that any one developer can submit?

CDA has not specified a limit. However, applicants still must demonstrate the financial capacity to conduct any project(s) as proposed. Each proposal must be sustainable on its own merit to be given reasonable consideration for a funding award. If a developer is offering applications for projects that cannot be financially supported, then those proposals will be rated lower than other proposals that do demonstrate capacity.

How do we handle the situation where we have a new construction home and a historic rehab within the same project application? How do we avoid the computation of tax credit equity for both the rehabilitation and the new construction home, even though the new home would not qualify for the credits?

The CDA application acts as a helpful guide by auto-calculating an estimate of state historic rehabilitation tax credits if all of the following conditions are met: the proposal involves rehabilitation, the development site is located in a certified National or Local Register Historic District, and the developer is a for-profit entity. For proposals that involve both rehab & new construction elements where tax credit equity may be available, select "Other" and then estimate potential tax credit equity on your own. This estimate should then be included in one of the available cells marked "Other" in the Permanent Sources section of the Proforma Summary worksheet page. As with all "Other" items included in the application spreadsheet, be sure to also appropriately define any such references in available spaces so that CDA staff can properly assess the proposal.

How do we handle the situation where we plan the rehabilitation of several homes, but some are located in a historic district while others are not? How do we avoid the computation of tax credit equity for both the eligible & ineligible buildings?

The CDA application acts as a helpful guide by auto-calculating an estimate of state historic rehabilitation tax credits if all of the following conditions are met: the proposal involves rehabilitation, the development site is located in a certified National or Local Register Historic District, and the developer is a for-profit entity. For proposals that involve elements where tax credit equity may be available for some addresses but not all, indicate that the site is not located in a historic district and then estimate potential tax credit equity on your own. This estimate should then be included in one of the available cells marked "Other" in the Permanent Sources section of the Proforma Summary worksheet page. As with all "Other" items included in the application spreadsheet, be sure to also appropriately define any such references in available spaces so that CDA staff can properly assess the proposal.

If a proposal involves the redevelopment of multiple parcels, how many of those parcels need evidence of site control?

An applicant must be able to demonstrate site control for all parcels where the development of residential housing is planned. It is not necessary to demonstrate site control for planned amenities, such as a community center or off-site parking areas. For those projects where site control cannot be evidenced, phased development should be considered.

How will CDA treat competing proposals for the same address?

It is possible for CDA to receive multiple development proposals for the same address. In such an event, CDA will evaluate each application for completeness and rate each proposal on its own merits. Then CDA will rank the proposals against all other applications received during the open NOFA period. While it will not be possible for competing proposals to receive funding for the same address, it may be possible for none of the proposals to rank high enough to be awarded assistance.

Are CDA and/or CRO project reviews available prior to the submission of an application?

Interested parties are encouraged to contact both CDA and CRO to conduct preliminary reviews of their proposals prior to submitting an application under this NOFA. In fact, such proposals will rate higher than competing proposals that have not started these initial discussions. However, these will not be formal reviews, and formal comment from either CDA or CRO will not be available until a formal application is submitted and the project is selected as part of a NOFA round.

If not awarded funds during this NOFA round, how can applicants improve their proposal(s) for future NOFA rounds?

For projects that are not awarded funding, CDA will offer applicants an opportunity for a debriefing session to discuss the specifics of the rating for their specific proposal(s).